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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

MAY 14 1992

FORM 10-Q

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934
(For the Quarterly Period Ended March 31, 1992)

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period From ___ to ___

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Commission file number: 0-152

MIDSOUTH CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	64-0736410
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

111 East Capitol Street, Jackson, Mississippi	39201
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (601) 353-7508

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ___ No X

On January 15, 1992, the Registrant filed a Form 8-K whereby the December 31, 1991 acquisition by TennRail Corporation, a wholly-owned subsidiary of the Registrant, of the assets of The Corinth and Counce Railroad Company ("CCR") was disclosed. On March 16, 1992, the Registrant filed certain pro forma financial information under cover of a Form 8, as required by the regulations of the Securities and Exchange Commission, but did not provide the audited financial statements of the acquired company (since none exist), as also required by regulation. Also on March 16, 1992, the Registrant filed a no action request with the Securities and Exchange

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Commission's Division of Corporate Finance (the "Division") requesting a waiver of the requirement that audited financial statements of the acquired company be provided. By letter dated April 2, 1992, the Registrant was advised that the Division would not waive the requirements of Rule 3-05 and Article 11 of Regulation S-X which require that audited financial statements and pro forma financial information relating to the acquisition of CCR be provided. While the Division stated it would not waive these requirements, it advised the Registrant in the April 2, 1992 letter that it will not recommend that any action be taken against the Registrant.

The number of outstanding shares (excluding treasury shares) of the Registrant's Common Stock, par value $.20 per share, was 10,264,598 on May 8, 1992.

FORM 10-Q

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MIDSOUTH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
Current assets:		
Cash & short-term investments	$ 5,903,791	$ 2,740,074
Accounts receivable	23,749,902	22,635,474
Inventories	3,315,541	3,326,260
Prepaid insurance	103,917	505,229
Other current assets	569,620	557,148
	33,642,771	29,764,185
Property, plant and equipment:		
Land	9,410,200	9,410,200
Road	160,521,019	158,292,892
Bridges	47,395,734	46,852,271
Other	15,277,573	15,032,208
	232,604,526	229,587,571
Accumulated depreciation	24,246,800	22,371,535
	208,357,726	207,216,036
Intangible assets, net of accumulated amortization of $4,309,637 and $3,534,944 respectively	24,790,973	24,688,637
Other assets	327,248	273,033
Total assets	$267,118,718	$261,941,891
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 6,660,476	$ 7,560,496
Accounts payable	20,511,206	17,915,494
Accrued expenses	8,694,928	5,550,206
	35,866,610	31,026,196
Long-term debt:		
Consolidated term loan due 1992-1997	35,250,000	37,000,000
TennRail term loan due 1992-1999	17,200,000	17,200,000
Senior notes due 1995-2000	40,000,000	40,000,000
Subordinated notes due 1993-1997	37,500,000	37,500,000
Subordinated note due 1999	7,500,000	7,500,000
Revolver debt due 1993 & 1994	1,020,000	2,520,000
Other notes due 1992-1999	1,052,328	1,146,151
	139,522,328	142,866,151
Less: Current portion	6,660,476	7,560,496
	132,861,852	135,305,655
Other liabilities	375,285	375,285
Deferred income taxes	26,821,813	26,083,319
Commitments and contingencies		
Shareholders' equity:		
Common stock, $.20 par value, 12,000,000 shares authorized, 10,264,835 issued and outstanding	2,052,968	2,052,968
Capital in excess of par value	36,077,669	36,078,169
Retained earnings	33,062,845	31,020,623
Treasury stock, at cost (237 shares)	<324>	<324>
	71,193,158	69,151,436
Total liabilities and shareholders' equity	$267,118,718	$261,941,891

The accompanying notes to consolidated financial statements are an integral part of this statement.

MIDSOUTH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended March 31, 1992	1991
Revenues	$25,498,285	$22,765,127
Operating Costs and Expenses:		
Transportation Expenses	12,165,145	12,306,712
Selling, General & Administrative	3,619,581	3,034,020
Depreciation and Amortization	2,647,291	1,785,817
	18,432,017	17,126,549
Operating Income	7,066,268	5,638,578
Interest Expense	‹3,861,593›	‹3,139,214›
Other Income	89,232	41,221
Income before Income Taxes	3,293,907	2,540,585
Provision for Income Taxes:		
Current	‹513,191›	‹241,355›
Deferred	‹738,494›	‹724,067›
	‹1,251,685›	‹ 965,422›
Net Income	2,042,222	1,575,163
Preferred Dividend Requirements	---	‹272,581›
Net Income Available to Common Stock	$ 2,042,222	$1,302,582
Earnings Per Common Share	$ .20	$ .17
Weighted Average Number of Shares	10,415,764	7,811,921

The accompanying notes to consolidated financial statements are an integral part of this statement.

MIDSOUTH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended March 31, 1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 2,042,222	$ 1,575,163
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,647,291	1,785,817
Provision for losses on accounts receivable	37,489	35,869
Provision for deferred income taxes	738,494	724,067
(Gain) Loss on asset dispositions	(8,090)	(31,510)
Change in assets and liabilities:		
(Increase) Decrease in accounts receivable	(1,151,916)	(537,185)
(Increase) Decrease in inventory	10,719	117,117
(Increase) Decrease in other current assets	388,839	222,474
(Increase) Decrease in other assets	(54,215)	---
Increase (Decrease) in accounts payable and accrued expenses	5,740,433	(450,316)
Total adjustments	8,349,044	1,866,333
Net cash provided from operating activities	10,391,266	3,441,496
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from asset dispositions	30,719	77,282
Capital expenditures	(3,036,916)	(3,189,142)
Net cash used in investing activities	(3,006,197)	(3,111,860)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving line of credit and long-term borrowings	---	1,130,014
Principal payments on revolving line of credit, long-term debt and notes payable	(3,343,823)	(2,433,264)
Increase in intangibles	(877,029)	(903,018)
Common stock issuance, net of costs incurred	(500)	12,769,003
Redemption of common stock warrants	---	(283,200)
Redemption of preferred stock	---	(6,500,000)
Dividends paid on preferred stock	---	(2,119,178)
Net cash provided by financing activities	(4,221,352)	1,660,357
Increase (Decrease) in cash and cash equivalents	3,163,717	1,989,993
Cash and cash equivalents at beginning of period	2,740,074	91,483
Cash and cash equivalents at end of period	$ 5,903,791	$ 2,081,476

The accompanying notes to consolidated financial statements are an integral part of this statement.

MIDSOUTH CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 1992

(Unaudited)

1. The consolidated financial statements included herein have been prepared by MidSouth Corporation ("MidSouth" or the "Company") without audit. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto presented in MidSouth Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, including those statements incorporated therein by reference from MidSouth Corporation's 1991 Annual Report to Stockholders.

2. The financial statements have not been examined by independent public accountants. However, in the opinion of management, all required adjustments have been made for fair presentation.

3. The results of operations for any interim period are not necessarily indicative of the results of operations for the entire year.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

The Company's primary sources of liquidity are its cash flow from operations and its existing credit agreements. During the three months ended March 31, 1992 and the three months ended March 31, 1991, the Company generated $10.4 million and $3.4 million, respectively, in net cash provided from operating activities.

In order to more appropriately match the repayment terms of its debt instruments with the long-term nature of the Company's capital investment, on April 8, 1991, MidSouth borrowed $40,000,000 from certain institutional investors in the form of 11.44% senior secured notes due 1995-2000 ("Senior Secured Notes"). The net proceeds from this borrowing were used to reduce the borrowings outstanding under the MidSouth Rail Bank Loan Agreement and the SouthRail Bank Loan Agreement from $74,471,630 to $42,000,000 and to repay a $3.4 million

loan from the Federal Railroad Administration at a discount. The remaining borrowings under the MidSouth Rail Bank Loan Agreement and the SouthRail Bank Loan Agreement were combined into a single loan agreement ("Consolidated Loan Agreement") due in varying annual installments through 1997 with interest at a rate of 7/8% above a base rate as announced by The First National Bank of Boston or, at MidSouth's option, a Eurodollar rate plus 2 1/8%. On March 27, 1991, MidSouth entered into two Interest Rate Swap Agreements with The First National Bank of Boston, regarding the Consolidated Loan Agreement, establishing a fixed interest rate of 9.275% for one year and 9.855% for two years regarding principal of $10,000,000 and $20,000,000, respectively. These Agreements began April 2, 1991 and one expired April 2, 1992 while the other will expire April 2, 1993. The Senior Secured Notes and the Consolidated Loan Agreement are secured by substantially all of the assets of MidSouth Rail Corporation ("MidSouth Rail"), MidLouisiana Rail Corporation ("MidLouisiana Rail"), and SouthRail Corporation ("SouthRail").

To complete the April 8, 1991 transaction, MidSouth received the consent of the holders of its Subordinated Notes. In exchange for the consent, the holders of the Subordinated Notes received 90,000 shares of MidSouth Common Stock and the interest rate on the Subordinated Notes increased from 12.20% to 12.95%. Additionally, the Subordinated Notes became secured by a second lien on substantially all of the assets of MidSouth Rail, MidLouisiana Rail and SouthRail.

On December 31, 1991, MidSouth through its wholly-owned subsidiary, TennRail Corporation ("TennRail"), purchased the operating assets of The Corinth and Counce Railroad Company ("CCR"), a subsidiary of Packaging Corporation of America ("PCA"), for $32 million. The Company incurred approximately $.6 million in acquisition costs. The acquisition was financed through a combination of debt and equity. MidSouth Corporation sold 1,040,000 shares of its Common Stock in a private placement completed on December 31, 1991. Northwestern Mutual Life Insurance Company and Archer Daniels Midland Company ("ADM") purchased 832,000 and 208,000 shares, respectively. The share price for both sales was $8.50. The remainder of the purchase price was financed by borrowings. TennRail borrowed $17.2 million through senior secured debt with The First National Bank of Boston and Deposit Guaranty National Bank ("TennRail Loan Agreement") and $7.5 million of subordinated debt with CCR ("TennRail Subordinated Note").

The borrowings under the TennRail Loan Agreement are due in varying annual installments through 1999 with interest at a rate of 1 1/2% above a base rate as announced by The First National Bank of Boston or, at TennRail's option, a Eurodollar rate plus 2 1/4%. On January 8, 1992, TennRail entered into an

Interest Rate Swap Agreement with The First National Bank of Boston regarding the TennRail Loan Agreement establishing a fixed interest rate of 7.91% until December 29, 1995 for decreasing amounts of principal ranging from $14,000,000 to $8,000,000. The obligations under the TennRail Loan Agreement are secured by substantially all of the assets of TennRail. The TennRail Subordinated Note with CCR, which bears interest at a rate of 11%, is due in 1999.

Borrowings under the Senior Secured Notes, the Consolidated Loan Agreement and the TennRail Loan Agreement are subject to certain restrictive and default covenants similar to prior covenants.

Substantially all the assets of the Company and its subsidiaries are pledged to secure the outstanding indebtedness of the Company, including a blanket lien on all of the assets of MidSouth Rail, MidLouisiana Rail, SouthRail and TennRail (including accounts receivable, contract rights, inventory, real property, rolling stock and plant and equipment) and a pledge to the Company's senior lenders of all the outstanding shares of MidSouth Rail, MidLouisiana Rail, SouthRail and TennRail. The Company also has revolving credit facilities under the Consolidated Loan Agreement and the TennRail Loan Agreement which permit the Company to borrow up to the lesser of $10 million and $1 million, respectively, or the sum of 80% of qualified receivables and 50% of qualified inventory, up to a maximum inventory amount of $3 million and $1 million, respectively.

In addition to funds from operations, other sources of liquidity during the first quarter of 1992 included the revolving credit facilities pursuant to which the Company was entitled at March 31, 1992 to borrow $10 million under the Consolidated Loan Agreement of which $1,010,000 was then outstanding and to borrow $1 million under the TennRail Loan Agreement of which $10,000 was then outstanding.

At March 31, 1992, the aggregate principal amount of the Company's outstanding long-term indebtedness was approximately $139.5 million. Approximately $36.3 million in principal amount of such indebtedness was owed under the Consolidated Loan Agreement, $40 million was outstanding in Senior Secured Notes, $37.5 million consisted of MidSouth's 12.95% Subordinated Notes, $17.2 million was outstanding under the TennRail Loan Agreement and $7.5 million was outstanding under the TennRail Subordinated Note.

The required principal payments on all indebtedness are anticipated to be $7.6 million in 1992, $13.8 million in 1993, $16.7 million in 1994, $21.0 million in 1995, $24.7 million in 1996 and $59.1 million thereafter.

In March 1989, the Company amended its Certificate of Incorporation to require redemption of its Preferred Stock in equal installments of $6.5 million in March of 1990, 1991 and 1992. In July 1989, MidSouth completed a $14,375,000 public offering and applied approximately $6,500,000 of the proceeds to redeem Preferred Stock and approximately $6,400,000 to the payment of accumulated dividends thereon. On February 26, 1991, the Company sold 1,146,667 shares of its Common Stock to ADM at $7.50 per share for an aggregate purchase price of $8.6 million. These proceeds were used to make the mandatory March 1991 redemption of $6.5 million of Preferred Stock and pay the related dividends thereon. On March 21, 1991, the Company sold an additional 555,867 shares of Common Stock to ADM at $7.50 per share for an aggregate purchase price of $4.17 million. These proceeds were then used on April 1, 1991 to redeem the remaining Preferred Stock held by The Prospect Group, Inc. at a discount. On June 7, 1991, the Company sold 142,386 shares of Common Stock to ADM at $7.50 per share for an aggregate purchase price of $1.07 million. ADM's most recent purchase of 208,000 shares on December 31, 1991 gave ADM 2,052,920 shares of Common Stock or 20% of the outstanding shares of Common Stock of the Company. On October 1, 1991, the Company redeemed the remaining 1,831 shares of Preferred Stock outstanding for $1.83 million and paid accumulated dividends of $.11 million thereon.

The Company's net capital expenditures during the three months ended March 31, 1992 and the three months ended March 31, 1991 totalled $3.0 million and $3.2 million, respectively. Such expenditures were made primarily for track maintenance and rehabilitation. While the Company had not made any material commitments as of March 31, 1992 for any additional capital expenditures, management anticipates capital expenditures of approximately $14 million in 1992.

At March 31, 1992 and at March 31, 1991, the Company had a working capital deficit of $2.2 million and $2.3 million, respectively. This deficit is primarily attributable to the highly leveraged nature of the Company's initial capitalization.

The Company anticipates that its existing credit facilities along with cash flow from operations will be sufficient to fund operating expenses, track maintenance, capital expenditures and debt service, and that its cash flow from operations will improve the Company's remaining negative working capital position over the long-term.

For federal income tax purposes, the Company had net operating loss carryforwards of approximately $66.9 million as of December 31, 1991. These loss carryforwards will expire between 2001 and 2006. The loss carryforwards may be subject

to significant limitations on use under applicable provisions of the Internal Revenue Code of 1986, as amended, and under regulations issued by the United States Department of Treasury as a result of future changes that may occur in the Company's stock ownership. These changes, certain of which involve the acquisition of five percent or more of the Company's Common Stock, may be beyond the control of the Company. The Company has concluded that such limitations, if imposed, would have an adverse effect on the Company's cash flow, since the Company would be forced to use the loss carryforwards only over a significantly longer period of time. Whether such limitations are triggered and the amount and effect of such limitations will ultimately depend on a variety of factors, many of which are beyond the control of the Company.

Comparison of Three Months Ended March 31, 1992 to Three Months Ended March 31, 1991

MidSouth's total revenues for the first quarter ended March 31, 1992 increased to $25.5 million, from $22.8 million for the same period one year earlier. MidSouth carloadings for the first quarter of 1992 amounted to 67,100. Excluding TennRail, carloadings grew from 61,200 in 1991 to 62,200 in 1992, an increase of 1.6 percent.

Operating income for the first quarter of 1992 amounted to $7.1 million or $1.5 million better than the prior year. A revenue increase of $2.8 million more than offset an increase in expenses of $1.3 million. Excluding TennRail, revenues were up $1.2 million over last year, while expenses were $.4 million in excess of last year.

Interest expense for the quarter ended March 31, 1992 was $3.8 million, approximately $.7 million more than the quarter ended March 31, 1991. TennRail accounted for $549,000 of this increase.

The provision for income taxes for the quarter ended March 31, 1992 was $1.3 million, based on an effective tax rate of 38%. Approximately 59 percent of these taxes were deferred because of the excess of tax depreciation over book depreciation. The provision for income taxes for the quarter ended March 31, 1991 was $1.0 million, also based on an effective tax rate of 38%.

MidSouth's net income before Preferred Stock dividend requirements for the quarter ended March 31, 1992 was $2.0 million, compared to $1.6 million for the quarter ended March 31, 1991. Net income available to Common Stock for the first quarter of 1992 was $2.0 million, compared to $1.3 million for the same period one year earlier. The additional improvement in net income available to Common Stock stemmed

from the elimination of the Preferred Stock dividend requirements following the redemption of all of the Company's Preferred Stock in 1991.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

SouthRail has been involved in an abandonment proceeding which, until recently, had been pending before the United States Court of Appeals for the Eleventh Circuit. SouthRail originally filed an application with the Interstate Commerce Commission ("ICC") to abandon 75 route miles of rail line. The line proposed for abandonment extends between Waynesboro, Mississippi and just north of Mobile, Alabama. This abandonment was opposed by communities, shippers and state and local government officials. The ICC granted SouthRail authority to abandon the line. The protestors then filed an appeal of the ICC's decision with the United States Court of Appeals for the Eleventh Circuit. By decision dated April 30, 1992, the United States Court of Appeals for the Eleventh Circuit affirmed the ICC's approval of the abandonment application. On May 5, 1992, SouthRail notified the ICC that it would cancel applicable tariffs and abandon the line on May 15, 1992.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Company held its 1991 Annual Meeting of Stockholders on Friday, May 8, 1992.

(b) At the Annual Meeting, the Company's stockholders voted to elect Messrs. Gaskins, Levin, Rowe, Taylor, Tolles, Turner, Whitfield and Winter each to serve for a one-year term on the Company's Board of Directors.

(c) At the Annual Meeting, the Company's stockholders voted to approve and ratify an amendment to the Company's Certificate of Incorporation (the "Certificate") increasing from 12,000,000 to 16,000,000 the number of authorized shares of Common Stock and creating a new class of Preferred Stock with 100,000 authorized shares. The amendment to the Certificate was approved by a vote of 5,452,418 (for such amendment) to 2,524,487 (against such amendment) with 58,560 shares voting to abstain from the vote.

In addition, the stockholders voted to approve and ratify an amendment to the Company's Stock Option Plan (the "Plan") to increase from 425,000 to 750,000 the number of shares reserved for issuance under the Plan and allow nonemployee directors to be eligible for the grant of stock options under the Plan. The

amendment to the Plan was approved by a vote of 8,340,019 (for such amendment) to 735,806 (against such amendment) with 64,456 shares voting to abstain from the vote.

(d) Not applicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) The Exhibits listed on the accompanying Exhibit Index are filed as part of this report.

(b) During the fiscal quarter for which this report is filed, MidSouth Corporation filed a report on Form 8-K dated January 15, 1992, pursuant to Items 2 and 7 thereof.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by John A. Scotto, duly authorized to sign on behalf of the registrant and as the principal financial officer thereof.

MIDSOUTH CORPORATION

Dated: May 14, 1992

By: _____
John A. Scotto
Vice President and Chief
Financial Officer,
Secretary and Treasurer

EXHIBIT INDEX

Exhibit Number		Page Number
3.1	Restated Certificate of Incorporation, effective May 15, 1992	17
10.1	MidSouth Corporation 1987 Stock Option Plan, as amended through May 8, 1992	24

EXHIBIT 3.1

RESTATED

CERTIFICATE OF INCORPORATION

OF

MIDSOUTH CORPORATION

(Incorporated March 13, 1986 under the name
MidSouth Rail Holding Company)

FIRST: Name. The name of the Corporation is MIDSOUTH CORPORATION.

SECOND: Delaware Office and Registered Agent. The address of the registered office of the Corporation in the State of Delaware is 229 South State Street, in the City of Dover, County of Kent. The name of its registered agent for service of process at such address is United States Corporation Company.

THIRD: Purpose. The nature of the business or purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware. The Corporation shall possess and exercise all the powers and privileges granted by the General Corporation Law of the State of Delaware, by any law or by this Restated Certificate of Incorporation, together with any powers incidental thereto as far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the purposes of the Corporation.

FOURTH: Capital Stock.

1. Authorized Number and Classes of Stock. The total number of shares which the Corporation shall have the authority to issue is 16,100,000 shares of capital stock as follows: 100,000 shares of Preferred Stock (the "Preferred Stock"), and 16,000,000 shares of Common Stock, par value $0.20 per share (the "Common Stock").

2. Preferences, Privileges, Restrictions and Rights of Classes of Stock. The preferences, privileges, restrictions and rights granted to or imposed on the respective shares are as follows:

2.1 Preferred Stock. Subject to the limitations prescribed by applicable law and the provisions of this Restated Certificate of Incorporation of the Corporation, the Board of Directors is hereby empowered to cause the Preferred Stock to be issued from time to time for such consideration as it may from time to time fix, and to cause such Preferred Stock to be issued in one or more classes of Preferred Stock, preference stock, special stock or other stock, and to divide and classify shares of any class into one or more series of such class, with such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions of the Board of Directors providing for the issuance of such stock, including without limitation the following:

(a) Designation. The distinctive designation of such class or series and the number of shares to constitute such class or series; provided that, unless otherwise prohibited by the terms of such other or any class or series, the number of shares of any such class or series may be decreased (but not below the number of shares of Preferred Stock then outstanding) by the Board of Directors in connection with any classification or reclassification of unissued shares, and the number of shares of such class or series may be increased (but not above the total number of authorized shares of Preferred Stock) by the Board of Directors in connection with any such classification or reclassification, and any shares of any class or series which have been redeemed, purchased, otherwise acquired or converted into shares of Common Stock or any other class or series shall become part of the authorized capital stock and be subject to classification and reclassification as provided in this Section.

(b) Dividends. Whether or not and, if so, the rate, amounts and times at which, and the conditions under which, dividends shall be payable on shares of such class or series, whether and the extent to which any such dividends shall rank senior or junior to or on a parity with the dividends payable on any other class or series of stock, and the status of any such dividends as cumulative (and if so, from what date or dates), cumulative to a limited extent or non-cumulative and as participating or non-participating.

(c) Voting. Whether or not shares of such class or series shall have voting rights in addition to any voting rights provided by applicable law and, if so, the terms of such voting rights.

(d) Conversion. Whether or not shares of such class or series shall have conversion or exchange privileges and, if so, the terms and conditions thereof, including the conversion price or prices, the rates of exchange and provision for adjustment

of the conversion or exchange rate upon such events or at such times as the Board of Directors shall determine.

(e) Redemption. Whether or not shares of such class or series shall be subject to redemption and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates; and whether or not there shall be any sinking or retirement funds or purchase account in respect thereof, and if so, the terms and provisions, including those relating to the operation thereof.

(f) Liquidation. The rights of the holders of shares of such class or series upon the liquidation, dissolution or winding up of the affairs of, or upon any distribution of the assets of, the Corporation, which rights may vary depending upon whether such liquidation, dissolution or winding up is voluntary or involuntary and, if voluntary, may vary at different dates, and whether such rights shall rank senior or junior to or on a parity with such rights of any other class or series.

(g) Restrictions. Whether or not there shall be any limitations applicable, while shares of such class or series are outstanding, upon the payment of dividends or making of distributions on, or the acquisition of, or the use of monies for purchase or redemption of, any stock of the Corporation, or upon any other action of the Corporation, including action under this Section, and, if so, the terms and conditions thereof.

(h) Ranking. For the purposes hereof and of any certificate of designation providing for the classification or reclassification of any unissued shares of Preferred Stock or of any other charter document of the Corporation (unless otherwise provided in any such certificate or document), any class or series of stock of the Corporation shall be deemed to rank:

(i) prior to another class or series either as to dividends or upon liquidation, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable on liquidation, dissolution or winding up, as the case may be, in preference or priority to holders of such other class or series;

(ii) on a parity with another class or series either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation price per share thereof be different from comparable terms of such others, if the holder of such class or series shall be entitled to receipt of dividends or amounts distributable upon liquidation, dissolution or winding up, as the case may be, in proportion to their respective dividend rate or redemption or liquidation prices,

without preference or priority over the holders of such other class or series; and

(iii) junior to another class or series of stock either as to dividends or upon liquidation, if the rights of the holders of such class or series shall be subject or subordinate to the rights of the holders of such other class or series in respect of the receipt of dividends or the amounts distributable upon liquidation, dissolution or winding up, as the case may be.

(i) Miscellaneous. Any other preferences, rights, restrictions, including restrictions on transferability, and qualifications of shares of such class or series, not inconsistent with applicable law and this Restated Certificate of Incorporation of the Corporation.

2.2 Common Stock.

(a) Dividends. Subject to the prior rights of the holders of the Preferred Stock to be paid dividends as may be established pursuant to Section 2.1 hereof, each holder of shares of Common Stock shall be entitled to share in dividends ratably with all other holders of shares of Common Stock then outstanding, when, if and as such dividends are declared and paid.

(b) Voting Rights. Each holder of Common Stock shall be entitled to vote on all matters upon which stockholders are entitled to vote under the General Corporation Law of the State of Delaware and each holder of Common Stack entitled to vote at any time shall have one vote for each share of Common Stock held of record. Whenever any holders of Common Stock shall be entitled to vote, all such holders shall vote as one class.

(c) Liquidation Rights of Common Stock. Upon any liquidation, dissolution or winding up of the Corporation, after payment in full of all amounts to which the holders of the Preferred Stock then outstanding are entitled to receive pursuant to Section 2.1(f) above, each holder of Common Stock then outstanding shall be entitled to share in any distribution of the remaining assets of the Corporation ratably with all other holders of shares of Common Stock then outstanding in accordance with their holdings of such shares.

FIFTH: Management of the Affairs of the Corporation. The following provisions relate to the management of the business and the conduct of the affairs of the Corporation and are inserted pursuant to Section 102(b)(1) of the General Corporation law of the State of Delaware for the purpose of creating, defining limiting and regulating the powers of the Corporation and its Directors and stockholders:

1. The election of Directors may be conducted in any manner the By-Laws provide, and need not be by written ballot.

2. The Board of Directors shall have the power to make, alter, amend or repeal the By-Laws of the Corporation, except to the extent that the By-Laws otherwise provide.

SIXTH: Reorganization. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or the class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

SEVENTH: Reservation of Right to Amend. The Corporation reserves the right to amend or repeal any provisions contained in this Restated Certificate of Incorporation from time to time and at any time in the manner now or hereafter prescribed by the law of the State of Delaware, and all rights herein conferred upon stockholders, Directors and officers are subject to this reserved power.

EIGHTH: Indemnification. In addition to the rights of indemnification contained in the By-Laws of the Corporation, no Director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the Director derived an improper personal benefit.

IN WITNESS WHEREOF, the undersigned do hereby certify that this Restated Certificate of Incorporation, which amends and restates the certificate of incorporation of the Corporation, as heretofore amended and restated, was duly authorized and adopted by the Board of Directors of the Corporation and the stockholders of the Corporation in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and that they have executed this Restated Certificate of Incorporation this 8th day of May, 1992. This Restated Certificate of Incorporation shall become effective at, and not until, 12:01 A.M. on May 15, 1992.

Mark M. Levin
Chairman of the Board and
Chief Executive Officer

ATTEST:

Laurence R. Latourette
Assistant Secretary

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EXHIBIT 10.1

MIDSOUTH CORPORATION

1987 Stock Option Plan, as Amended as of December 6, 1988, June 29, 1989, May 25, 1990 and May 8, 1992

SECTION 1. Establishment. There is hereby established the 1987 Stock Option Plan, as amended (the "Plan"), pursuant to which employees and any other persons who perform substantial services for or on behalf of MIDSOUTH CORPORATION (the "Company"), its subsidiaries and certain other entities may be granted options to purchase shares of common stock of the Company, par value $0.20 per share ("Common Stock"), and thereby share in the future growth of the business. The subsidiaries of the Company included in this Plan (the "Subsidiaries") shall be any subsidiary of the Company as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. Status of Options. The options which may be granted pursuant to this Plan will constitute either incentive stock options within the meaning of Section 422 of the Code ("Incentive Stock Options") or options which are not Incentive Stock Options ("Non-Incentive Stock Options"). Incentive Stock Options and Non-Incentive Stock Options shall be collectively referred to herein as "Options".

SECTION 3. Eligibility. All employees of the Company or any of its Subsidiaries (including officers, whether or not they are members of the Board of Directors) who are employed at the time of the adoption of this Plan or thereafter, and any other persons who perform substantial services for or on behalf of the Company or any of its Subsidiaries, affiliates or any entity in which the Company has an interest (collectively, the "optionee") shall be eligible to be granted Non-Incentive Stock Options to purchase shares of Common Stock under this Plan. Nonemployee Directors of the Company shall be eligible for the grant of Non-Incentive Stock Options pursuant to the terms of Section 8 hereof. All employees of the Company or any of its Subsidiaries who are employed at the time of adoption of this Plan or thereafter shall be eligible to be granted Incentive Stock Options under this Plan.

SECTION 4. Number of Shares Covered by Options; No Preemptive Rights. The total number of shares which may be issued and sold pursuant to Options granted under this Plan shall be 750,000 shares of Common Stock (or the number and kind of shares of stock or other securities which, in accordance with Section 9 of this Plan, shall be substituted for such shares of Common Stock or to which said shares shall be adjusted; hereinafter, all references to shares of Common Stock

are deemed to be references to said shares or shares so adjusted). The issuance of said shares shall be free from any preemptive or preferential right of subscription or purchase on the part of any stockholder.

SECTION 5. Administration.

(a) This Plan shall be administered by the committee (the "Committee") referred to in paragraph (b) of this Section. Subject to the express provisions of this Plan, the Committee shall have complete authority, in its discretion, to interpret this Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective option agreements (which need not be identical), to determine the optionee to whom, and the times and the Prices at which, Options shall be granted, the option periods, the number of shares of the Common Stock to be subject to each Option and whether each Option shall be an Incentive Stock Option or a Non-Incentive Stock Option, and to make all other determinations necessary or advisable for the administration of the Plan. Each Option shall be clearly identified at the time of grant as to its status. In making such determinations, the Committee may take into account the nature of the services rendered by the respective optionee, their present and potential contributions to the success of the Company and such other factors as the Committee in its discretion, shall deem relevant. The Committee's determination on all of the matters referred to in this Section 5 shall be conclusive.

(b) The Committee shall consist of from two (2) to five (5) individuals who are members of the Board. Each member of the Committee shall be a person who is not, while serving on the Committee, and who, during the period for one year ending on the date of his appointment to the Committee, has not been, a person to whom stock options, warrants or similar rights (including stock appreciation rights) may be granted under this Plan and/or any other plan of the Company and/or any of its Subsidiaries (except as permitted by Rule 16(b)-3(c)(2)(i) under the Securities Exchange Act of 1934). The Committee shall be appointed by the Board, which may at any time, and from time to time, remove any member of the Committee, with or without cause, appoint additional members to the Committee and fill vacancies, however caused, in the Committee. A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held. Nothing contained in this Plan shall be deemed to give any optionee any right to be granted an Option to purchase shares of Common

Stock except to the extent and upon such terms and conditions as may be determined by the Committee.

(c) The Committee may at its election provide in any option agreement covering the grant of Options under this Plan that, upon the exercise of such Options, the Company will loan to the holder thereof such amount as shall equal the purchase price of the shares of Common Stock issuable upon such exercise, such loan to be on terms and conditions deemed appropriate by the Committee.

SECTION 6. Terms of Incentive Stock Options. Each Incentive Stock Option granted under this Plan shall be evidenced by an Incentive Stock Option Agreement which shall be executed by the Company and by the person to whom such Incentive Stock Option is granted, and shall be subject to the following terms and conditions:

(a) The price at which shares of Common Stock covered by each Incentive Stock Option may be purchased pursuant thereto shall be determined in each case on the date of grant by the Committee, but shall be an amount not less than the par value of such shares and not less than the fair market value of such shares on the date of grant. For Purposes of this Section, the fair market value of shares of Common Stock on any day shall be (i) in the event the Common Stock is not publicly traded, the fair market value on such day as determined in good faith by the Committee or (ii) in the event the Common Stock is publicly traded, the last sale price of a share of Common Stock as reported by the principal quotation service on which the Common Stock is listed, or, if there is no such report by such quotation service for such day, such fair market value shall be the average of (i) the last sale price on the day next preceding such day for which there was a report and (ii) the last sale price on the day next succeeding such day for which there was a report, or as otherwise determined by the Committee in its discretion pursuant to any reasonable method contemplated by Section 422 of the Code and any regulations issued pursuant to that Section.

(b) The Option price of the shares to be purchased pursuant to each Incentive Stock Option shall be paid in full in cash, or by delivery (i.e. surrender) of shares of Common Stock of the Company then owned by the optionee, at the time of the exercise of the Incentive Stock Option. Shares of Common Stock so delivered will be valued on the day of delivery for the purpose of determining the extent to which the option price has been paid thereby, in the same manner as provided for the purchase price of Incentive Stock Options as set forth in paragraph (a) of this Section, or as otherwise determined by the Committee, in its discretion, pursuant to any reasonable

method contemplated by Section 422 of the Code and any regulations issued pursuant to that Section.

(c) Each Incentive Stock Option Agreement shall Provide that such Incentive Stock Option may be exercised by the optionee, in such parts and at such times as may be specified in such Agreement, within a period not exceeding ten years after the date on which the Incentive Stock Option is granted (hereinafter called the "Incentive Stock Option Period") and in any event, only during the continuance of the employee's employment by the Company or any of its subsidiaries or during the Period of three months after the termination of such employment to the extent that the right to exercise such Incentive Stock Option had accrued at the date of such termination; provided, however, that if Incentive Stock Options as to 100 or more shares are held by an optionee, then such Incentive Stock Options may not be exercised for less than 100 shares at any one time, and if Incentive Stock Options for less than 100 shares are held by an optionee, then Incentive Stock Options for all such shares must be exercised at one time; and provided, further, that, if the optionee, while still employed by the Company or any of its Subsidiaries, shall die within the Incentive Stock Option Period, the Incentive Stock Option may be exercised, to the extent specified in the Incentive Stock Option Agreement, and as herein provided, but only prior to the first to occur of:

(i) the expiration of the period of one year after the date of the optionee's death, or

(ii) the expiration of the Incentive Stock Option Period, by the person or persons entitled to do so under the optionee's will, or, if the optionee shall fail to make testamentary disposition of said Incentive Stock Option, or shall die intestate, by the optionee's legal representative or representatives.

(d) Each Incentive Stock Option granted under this Plan shall by its terms be non-transferable by the optionee except by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code, and each Incentive Stock Option shall by its terms be exercisable during the optionee's lifetime only by him.

(e) Notwithstanding the foregoing, if an Incentive Stock Option is granted to a person at any time when such person owns, within the meaning of Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the employer corporation (or a parent or Subsidiary of such corporation within the meaning of Section 424 of the Code) the price at which each share of Common Stock

covered by such Incentive Stock Option may be purchased pursuant to such Incentive Stock Option shall not be less than 110% of the fair market value (determined as in paragraph (a) of this Section) of the shares of Common Stock at the time the Incentive Stock Option is granted, and such Incentive Stock Option must be exercised within a period specified in the Incentive Stock Option Agreement which does not exceed five years after the date on which such Incentive Stock Option is granted.

(f) The Incentive Stock Option Agreement entered into pursuant hereto may contain such other terms, provisions and conditions not inconsistent herewith as shall be determined by the Committee including, without limitation, provisions (i) requiring the giving of satisfactory assurances by the optionee that the shares are purchased for investment and not with a view to resale in connection with a distribution of such shares, and will not be transferred in violation of applicable securities laws, (ii) restricting the transferability of such shares during a specified period and (iii) requiring the resale of such shares to the Company at the option price if the employment of the employee terminates prior to a specified time. In addition, the Committee, in its discretion, may afford to holders of Incentive Stock Options granted under this Plan the right to require the Company to cause to be registered under the Securities Act of 1933, as amended, for public sale by the holders thereof, shares of Common Stock subject to such Incentive Stock Options Upon such terms and subject to such conditions as the Committee may determine to be appropriate.

(g) In the discretion of the Committee, a single Stock Option Agreement may include both Incentive Stock Options and Non-Incentive Stock Options, or those options may be included in separate stock option agreements.

SECTION 7. Terms of Non-Incentive Stock Options. Each Non-Incentive Stock Option granted under this Plan shall be evidenced by a Non-Incentive Stock Option Agreement which shall be executed by the Company and by the person to whom such Non-Incentive Stock Option is granted, and shall be subject to the following terms and conditions except that in the case of Non-Incentive Stock Options granted to Nonemployee Directors pursuant to Section 8 hereof, the terms and conditions of such options shall be subject in all cases, and not inconsistent with, the terms of Section 8 hereof:

(a) The price at which shares of Common Stock covered by each Non-Incentive Stock Option may be purchased pursuant thereto shall be determined in each case on the date of grant by the Committee, but shall be an amount not less than the par value of such shares and not less than 85 percent of the fair market value of such shares on the date of grant, such

fair market value to be determined pursuant to the procedures set forth in Section 6(a).

(b) Each Non-Incentive Stock Option Agreement shall provide that such Non-Incentive Stock Option may be exercised by the optionee, in such parts and at such times as may be specified in such Agreement, within a period up to and including ten years and thirty days after the date on which the Non-Incentive Stock Option is granted.

(c) The Non-Incentive Stock Option Agreement entered into pursuant hereto may contain such other terms, provisions and conditions not inconsistent herewith as shall be determined by the Committee, in its sole discretion, including without limitation the terms, provisions and conditions set forth in Section 6(f) with respect to Incentive Stock Option Agreements.

SECTION 8. Nonemployee Director Stock Options.

(a) Initial Grant of Options. Each individual who is a Nonemployee Director ("Participant") on June 1, 1992, shall be granted an Option to purchase two thousand (2,000) shares, effective June 1, 1992. The specific terms and provisions of such options shall be incorporated in Award Agreements, executed pursuant to Section 8(d) of the Plan.

(b) Subsequent Grants of Options. Subject to the limitation on the number of shares subject to the Plan, each individual who is not an employee and who is elected or reelected during the term of the Plan by the stockholders of the Company to serve on the Board of Directors, shall be granted an Option to purchase two thousand (2,000) shares on each first business day in June following each such election and/or reelection to serve on the Board.

(c) Limitation on Grant of Options. Other than those grants of Options set forth in Sections 8(a) and 8(b) herein, no additional Options shall be granted to Nonemployee Directors under the Plan.

(d) Option Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of shares available for purchase under the Option, and such other provisions as the Board shall determine.

(e) Option Price. The purchase price per share available for purchase under an Option shall equal the fair market value of a share, such fair market value to be determined pursuant to the procedures set forth in Section 6(a).

(f) Duration of Options. Each Option shall expire on the tenth (10th) anniversary date of its grant.

(g) Vesting of Shares Subject to Option. Participants shall be entitled to exercise Options at any time and from time to time, within the time period beginning thirty (30) days after the grant of the Option, and ending ten (10) years after grant of the Option, and according to the following vesting schedule:

Grant Date	Annual Percentage of Shares which may be Purchased Under Option	Cumulative Percentage of Shares which may be Purchased Under Option
As of the Date of Grant to the first anniversary of the Date of Grant	25%	25%
From the first anniversary of the Date of Grant to the second anniversary	25%	50%
From the second anniversary of the Date of Grant to the third anniversary	25%	75%
From the third anniversary of the Date of Grant to the tenth anniversary	25%	100%

Regardless of the vesting schedule set forth in this Section 8(g), all Options held by a Participant shall immediately become one hundred percent (100%) vested upon the first to occur of the following:

(a) The completion of the vesting schedule set forth above; or

(b) The death of the Participant; or

(c) The Disability of the Participant; or

(d) The effective date of a Change in Control of the Company.

(h) Termination of Directorship. In the event a Participant ceases to be a Director for any reason other than death or Disability, all Options not vested as of the effective date of termination shall be forfeited and shall revert back to the Company (with no further vesting to occur). All Options which are vested as of such date shall remain exercisable for six (6) months following the date the Director's service on the Board terminates, or until their expiration date, whichever period is shorter.

To the extent an Option is exercisable immediately following the date of death of a Participant, it shall remain exercisable at any time prior to its expiration date, or for one (1) year after the date of death, whichever period is shorter, by such persons that have acquired the Participant's rights under the Option by will or by the laws of descent and distribution.

To the extent an Option is exercisable immediately following the date that the Board determines that the definition of Disability is satisfied with respect to a Participant (the "Disability Date"), it shall remain exercisable at any time prior to its expiration date, or for one (1) year after the Disability Date, whichever period is shorter, by the Participant or such person or persons as shall have been named as the Participant's legal representative or beneficiary.

Options which vest pursuant to a Change in Control shall remain exercisable throughout their entire term.

(i) Restrictions on Share Transferability. The Board shall impose such restrictions on any shares acquired pursuant to the exercise of an Option under the Plan, as it may deem advisable, including, without limitation, restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such shares; provided, however, that no such restriction shall be imposed if the restriction could result in the failure to comply with the "formula award" exception for grants of Awards to Directors, as set forth in Rule 16b-3(c)(2)(i) of the Exchange Act.

(j) Nontransferability of Options. No Option granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code. Further, all Options granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

SECTION 9. Limit on Option Amount. The aggregate fair market value (determined under Section 6(a) as of the time such Incentive Stock Options are granted) of the Common Stock with respect to which Incentive Stock Options are first exercisable by any employee during any calendar year (under all stock option plans of the employee's employer corporation and its parent and subsidiary corporations within the meaning of Section 424 of the Code) shall not exceed $100,000. The limitation in this Section shall not apply to options which are designated as Non-Incentive Stock Options, and, except as otherwise provided herein, there shall be no limit on the amount of such options which may be first exercisable in any year.

SECTION 10. Adjustment of Number of Shares. In the event that a dividend shall be declared upon the shares of Common Stock payable in shares of Common Stock, the number of shares of Common Stock then subject to any Option granted hereunder, and the number of shares reserved for issuance pursuant to this Plan but not yet covered by an Option, shall be adjusted by adding to each of such shares the number of shares which would be distributable thereon if such share had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the outstanding shares of Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, then there shall be substituted for each share of Common Stock subject to any such Option and for each share of Common Stock reserved for issuance pursuant to the Plan but not yet covered by an Option, the number and kind of shares of stock or other securities into which each outstanding share of Common Stock shall be so changed or for which each such share shall be exchanged; provided, however, that in the event that such change or exchange results from a merger or consolidation, and in the judgment of the Board of Directors such substitution cannot be effected or would be inappropriate, or if the Company shall sell all or substantially all of its assets, the Company shall use reasonable efforts to effect some other adjustment of each then outstanding Option which the Board of Directors, in its sole discretion, shall deem equitable. In the event that there shall be any change, other than as specified above in this Section 9, in the number or kind of outstanding shares of Common Stock or of any stock or other securities into which such shares of Common Stock shall have been changed or for which they shall have been exchanged, then, if the Board of Directors shall determine that such change equitably requires an adjustment in the number or kind of shares theretofore reserved for issuance pursuant to the Plan but not yet covered by an Option and of the shares then

subject to an Option or Options, such adjustment shall be made by the Board of Directors and shall be effective and binding for all purposes of this Plan and of each stock option agreement. Notwithstanding the foregoing, if any adjustment in the number of shares which may be issued and sold pursuant to Options is required by the Code or regulations issued pursuant thereto to be approved by the stockholders in order to enable the Company to issue Incentive Stock Options pursuant to this Plan, then no such adjustment shall be made without the approval of the stockholders. In the case of any such substitution or adjustment as provided for in this Section, the option price in each stock option agreement for each share covered thereby prior to such substitution or adjustment will be the total option price for all shares of stock or other securities which shall have been substituted for each such share or to which such share shall have been adjusted pursuant to this Section 9. No adjustment or substitution provided for in this Section 9 shall require the Company, in any stock option agreement, to sell a fractional share, and the total substitution or adjustment with respect to each stock Option agreement shall be limited accordingly. Notwithstanding the foregoing, in the case of Incentive Stock Options, if the effect of the adjustments or substitution is to cause the Incentive Stock Option to fail to continue to qualify as an Incentive Stock Option or to cause a modification, extension or renewal of such Incentive Stock Option within the meaning of Section 424 of the Code, the Board of Directors shall use reasonable efforts to effect such other adjustment of each then outstanding option as the Board of Directors, in its sole discretion, shall deem equitable.

SECTION 11. Amendments. This Plan may be terminated or amended from time to time by vote of the Board of Directors; provided, however, that no amendment which shall (i) change the total number of shares which may be issued and sold pursuant to Options granted under this Plan, (ii) change the designation of employees eligible to receive Incentive Stock Options or class of employees or other persons eligible to receive Options, (iii) decrease the minimum option prices stated in Sections 6(a), 7(a) or 8(e) of this Plan, (iv) extend the period during which an Option may be granted or exercised beyond the maximum specified in this Plan or (v) withdraw the authority to administer this Plan from the Committee, shall be effective without the approval of the stockholders. In no event, however, shall Section 8 be amended more than once every six months other than to comply with the Code, the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

SECTION 12. Termination. Except to the extent necessary to govern outstanding Options, this Plan shall terminate on, and no additional Options shall be granted after, ten years from the date the Plan is adopted, or ten years from the date the Plan is approved by the stockholders, whichever is earlier.

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